

2008-2009 PERFORMANCE PLAN – Sr. Investment Officer, Fixed Income (C. Ishii)

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Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
45%	CalPERS Domestic Fixed Income (FI), Internal	Net of Fees, excess return in basis points relative to: Domestic Fixed Income (FI), Internal – CalPERS Custom LEH LPF {SW4KA1 – CALCCLP2}	0 basis points = 0 +40 basis points = 1.0 +60 basis points = 1.5
25%	CalPERS Total Fund Performance	Net of Fees, excess return in basis points relative to Total Fund Performance Benchmark. Comp-PERS Total Fund All Portfolios – CalPERS Policy Index (Daily) {SJ1CA1 – CPERSTO2}	-40 basis points = 0 0 basis points = 1.0 +20 basis points = 1.5
5%	Other Managed Fixed Income Funds	Net of Fees, excess return in basis points relative to: <ul style="list-style-type: none"> • (2%) High Quality LIBOR Fund – CalPERS Blended Libor Fed Fund Index (Daily) {SW3X – CPERLFFD} • (1%) Short Duration Fund – CalPERS Blended Libor Fed Fund Index (Daily) {SW9D – CPERLFFD} • (1%) CalPERS Internally Managed Short Term – State Street STIF Net of Fees {SJ10 – Y8K2} • (1%) CalPERS Inflation – Linked Bond Fund-Lehman Custom Inflation-Linked Bond Index {SWGN – CPERLTPI} 	0 basis points = 0 +5 basis points = 1.0 +8 basis points = 1.5 0 basis points = 0 +30 basis points = 1.0 +45 basis points = 1.5 0 basis points = 0 +5 basis points = 1.0 +8 basis points = 1.5 0 basis points = 0 +5 basis points = 1.0 +8 basis points = 1.5
5%	Internal Passive Currency Overlay Management	Net of Fees, return in basis points relative to: Passive currency overlay portfolio – PERS Pareto CCR {SW5PB – YET2}	-50 basis points = 0 -30 basis points = 1.0 -20 basis points = 1.5

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Quantitative Performance Measures (cont.)

Weight	Factor	Performance Measure	Incentive Schedule
5%	Active International Fixed Income Managers	Net of Fees, excess returns in basis points relative to: Aggregate of the International Fixed Income Managers – CalPERS World Govt X US: {SJDCA1 – CALWGXU2}	0 basis points = 0 +40 basis points = 1.0 +60 basis points = 1.5
85%	Subtotal	Quantitative Measures	

Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
15%	Leadership	<i>Human Resources staff is working with the Interim Chief Investment Officer to develop the qualitative leadership performance measures which will be presented for second reading.</i>	Score (0 – 10) 0 = 0 5=1.0 10=1.5
15%	Subtotal	Qualitative Measures	
100%	Total	Quantitative and Qualitative Measures	